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INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 7091
RUEHLM/AMEMBASSY COLOMBO PRIORITY 7409
RUEHKA/AMEMBASSY DHAKA PRIORITY 2740
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 5451
RUEHLO/AMEMBASSY LONDON PRIORITY 6575
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 3190
RUEHSA/AMEMBASSY PRETORIA PRIORITY 0280
RUEHCI/AMCONSUL KOLKATA PRIORITY 4723
RUEHGV/USMISSION GENEVA PRIORITY 2395
RUEKJCS/SECDEF WASHDC PRIORITY
RUCNDT/USMISSION USUN NEW YORK PRIORITY 3630
RHEFDIA/DIA WASHDC PRIORITY
RHMFISS/CDR USPACOM HONOLULU HI PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 KATHMANDU 000792

SIPDIS

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TAGS: [PGOV](#) [PREL](#) [PINR](#) [KDEM](#) [CH](#) [NP](#)

SUBJECT: NEPAL: FM KOIRALA ON ROPES BUT LIKELY TO SURVIVE

REF: KTM 00756

Classified By: Charge d' Affaires, a.i., Jeffrey A. Moon. Reasons 1.4 (b/d).

11. (C) Summary: Foreign Minister Sujata Koirala has come under fire over her last-minute decision not to accompany Prime Minister M.K. Nepal on his August 18-22 visit to India. She will survive the controversy, but her weak political base has eroded even further. Koirala will make a "goodwill trip" to China on September 9-12. She told Charge she would investigate ways the Foreign Ministry might be able to assist with breaking the logjam on foreign adoption cases. End Summary.

12. (U) Foreign Minister Sujata Koirala has been on the defensive for the past week over her failure to accompany Prime Minister M.K. Nepal on his August 18-22 visit to India. Koirala backed out of the trip at the last minute, claiming she was too ill to travel. Most observers believe, however, that her health has been fine and that she declined to participate because the Prime Minister refused her request to be named Deputy Prime Minister. Press coverage of her decision has been intense with calls for her resignation and public rebukes from even her own Nepali Congress (NC) party.

ON THE DEFENSIVE

13. (C) When Charge met with Koirala at her request on August 25, the Foreign Minister spent most of the meeting defending her actions. She repeated public claims that she was unable to travel due to illness, and had been focused on "saving herself" from unfair accusations ever since then. Koirala admitted she sought the Deputy PM position (likely at the urging of her father), but claimed it was for the sake of the party. She asserted that the NC,s current position in the government coalition was "humiliating" because another, smaller party was represented by a Deputy Prime Minister. She said her father had met with party leaders August 23 and told them to drop the issue. She thought his demand would be sufficient to end the internal controversy.

14. (C) Koirala suggested the controversy was drummed up by her opponents in the NC. She personally blamed Arjun Narsingh KC, Ram Chandra Poudel, Sushil Koirala, Narayan Khadka, and Narhari Acharya for generating propaganda against her. These opponents were pushing for Prakash Man Singh to

become Foreign Minister, Koirala suspected. She explained new party elections would be held within six months. She thought that her opponents were trying to take control of the party, but had only succeeded in "making things worse for themselves."

GOVERNMENT PROGNOSIS AND PEACE PROCESS UPDATE

¶5. (C) Koirala said she has a positive relationship with PM Nepal, who is a "good man and not complicated, but easily pressured, especially by the Indian Ambassador and other party leaders." The PM needs to make decisions for himself instead of listening to others, she asserted.

¶6. (C) Koirala claimed the current government coalition remains stable, especially in light of the Prime Minister's successful trip to India. She confirmed that PM Nepal secured beneficial trade concessions from India, and received the largest Indian assistance package to date, including an expansive road building project (septel). She cautioned that India has made assistance promises before that were never delivered. Koirala took full credit for the success of the visit, stating "all of the people I've spoken with said they viewed the Prime Minister's success as my success since I traveled to India first and created the atmosphere."
(Comment: Few observers give Koirala any credit for the PM's largely successful visit. End Comment.)

¶7. (C) Regarding the peace process, Koirala has asked UNMIN to pressure Maoist leader Dahal to move forward on military

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integration. She felt UNMIN was one of the few entities that could successfully influence the Maoists.

GOODWILL VISIT TO CHINA

¶8. (C) Koirala acknowledged media reports she will be going to China in September, describing the trip as a "goodwill" visit with no specific agenda. Her initial travel plans are to fly to Lhasa September 9, briefly meet officials, then fly to Beijing for a meeting with the Chinese Foreign Minister on September 10. She planned on spending two to three days in Beijing before returning via Guangzhou. She explained the trip was necessary to balance the long trip she had taken to India. She said general Nepali attitudes towards India have tended to be negative and distrustful, whereas the Nepali people have more positive feelings about China.

FOREIGN ADOPTIONS

¶9. (C) Charge raised the U.S. request to break the current logjam of foreign adoption cases. He requested Koirala's assistance with the Women and Children Ministry, which has authority over the foreign adoption process, in resolving the longstanding bureaucratic problems that have halted the processing of cases. Koirala said she would investigate ways in which the Foreign Ministry could assist.

¶10. (C) COMMENT: Koirala was clearly distressed by the mounting criticism of her decision not to travel to India with the PM. Her weak base of support within the Nepali Congress was deteriorated even further. FM Koirala will likely survive as long as her father continues to prop her up. PM Nepal needs G.P. Koirala's continued support in the coalition government, and thus has little choice but to overlook FM Koirala's antics.

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